

HOUSING AUTHORITY OF MINDEN
AUDITED FINANCIAL STATEMENTS
AND SUPPLEMENTAL DATA

TWELVE MONTHS ENDED JUNE 30, 2010

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date

2/25/11

Mike Estes, P.C.
A Professional Accounting Corporation

TABLE OF CONTENTS

	<u>EXHIBIT</u>	<u>PAGE</u>
Independent Auditor's Report		1 – 2
Management Discussion & Analysis		3 – 7
Basic Financial Statements		
Balance Sheet	A	8
Statement of Revenues, Expenses, and Changes in Fund Net Assets	B	9
Statement of Cash Flows	C	10 – 11
Notes to the Basic Financial Statements		12 – 20
Index		12
Notes to Financial Statements		13– 20
 <i><u>Other Reports Required by Government Auditing Standards And by Office of Management and Budget (OMB) Circular A-133</u></i>		
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>		21 – 22
Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133		23 – 24
Schedule of Expenditures of Federal Awards		25
Notes to the Schedule of Expenditures of Federal Awards		26
Schedule of Findings and Questioned Costs		27 – 29
Summary Schedule of Prior Audit Findings		30
 <i><u>Supplementary Information</u></i>		
Statement of Modernization Costs – Uncompleted	E(1)	31

MIKE ESTES, P.C.
A PROFESSIONAL ACCOUNTING CORPORATION
4200 AIRPORT FREEWAY – SUITE 100
FORT WORTH, TEXAS 76117

MEMBER OF THE
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC
ACCOUNTANTS
and the
AICPA GOVERNMENTAL
AUDIT QUALITY CENTER

MIKE ESTES, CPA

(817) 831-3553
(817) 831-3560
e-mail: mestespc@swbell.net

Independent Auditor's Report

Board of Commissioners
Housing Authority of Minden
Minden, Louisiana

We have audited the accompanying financial statements of each major fund, of the Housing Authority of the City of Minden, Louisiana as of and for the year ended June 30, 2010, which collectively comprise the Authority's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Housing Authority of the City of Minden, Louisiana's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund, of the Housing Authority of the City of Minden, Louisiana, as of June 30, 2010, and the respective changes in financial position and cash flows, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 17, 2010, on our consideration of the Housing Authority of the City of Minden, Louisiana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis listed in the table of contents is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Housing Authority of the City of Minden, Louisiana's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements of the Housing Authority of the City of Minden, Louisiana. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The accompanying information identified in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Mike Estes, P.C.
Fort Worth, Texas
December 17, 2010

HOUSING AUTHORITY OF MINDEN, LA

REQUIRED SUPPLEMENTAL INFORMATION

MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)

JUNE 30, 2010

Housing Authority of the City of Minden
Management's Discussion and Analysis (MD&A)
June 30, 2010

As management of the Housing Authority, we offer readers of the Housing Authority's financial statements this narrative overview and analysis of the financial activities of the Housing Authority for the fiscal year ended June 30, 2010. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal. All amounts, unless otherwise indicated, are rounded to the nearest dollar.

FINANCIAL HIGHLIGHTS

- The assets of the Housing Authority exceeded its liabilities at the close of the most recent fiscal year by \$6,425,662 (net assets). Of this amount, \$1,198,235 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- As of the close of the current fiscal year, the Housing Authority's enterprise funds reported combined ending net assets of \$6,425,662, an increase of \$477,643 in comparison with the prior year adjusted. Approximately 20% of this total amount is available for spending at the Housing Authority's discretion (unrestricted net assets).
- At the end of the current fiscal year, unrestricted net assets for the general fund was \$929,899, or 65% of total general fund operating expenses for the fiscal year. Unrestricted net assets of the Section 8 fund of \$159,591 is 31% of total Section 8 operating expenses for the year. Unrestricted net assets of the management fees fund were \$108,745.
- Net assets of the general fund increased \$496,986 from the prior year. Net assets of the Section 8 fund decreased \$(14,273). The management fees fund net assets decreased \$(5,070).

OVERVIEW OF THE FINANCIAL STATEMENTS This discussion and analysis is intended to serve as an introduction to the Housing Authority's basic financial statements. The Housing Authority's basic financial statements comprise two components: 1) fund financial statements, and 2) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves. The Housing Authority is a special-purpose government engaged only in business-type activities. Accordingly, only fund financial statements are presented as the basic financial statements.

FUND FINANCIAL STATEMENTS A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Housing Authority, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The funds of the Housing Authority are reported as proprietary and fiduciary fund types.

USING THIS ANNUAL REPORT The Housing Authority's annual report consists of financial statements that show information about the Housing Authority's most significant funds – such as the Housing Authority's general fund tenant based Section 8 fund and management fees fund.

Housing Authority of the City of Minden
Management's Discussion and Analysis (MD&A)
June 30, 2010

Our auditor has provided assurance in the independent auditor's report located immediately preceding this Management's Discussion and Analysis that the Basic Financial Statements are fairly stated. Varying degrees of assurance are being provided by the auditor regarding the other information included in this report. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts of this report.

Reporting the Housing Authority's Most Significant Funds The Housing Authority's financial statements provide detailed information about the most significant funds. Some funds are required to be established by the Department of Housing and Urban Development (HUD). However, the Housing Authority establishes other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities or using grants and other money. The Housing Authority's enterprise funds use the following accounting approach.

Proprietary funds – All of the Housing Authority's services are reported in enterprise funds. They are reported using the full accrual method of accounting in which all assets and all liabilities associated with the operation of these funds are included on the balance sheet. The focus of proprietary funds is on income measurement which together with the maintenance of equity is an important financial indication.

The Housing Authority as Trustee

Reporting the Housing Authority's Fiduciary Responsibilities

The Housing Authority is the trustee, or fiduciary, for its Webster Literacy and FAME Resident Council funds. All of the Housing Authority's fiduciary activities are reported in the Statements of Fiduciary Assets and Liabilities. We exclude these activities from the Housing Authority's other financial statements because the Housing Authority cannot use these assets to finance its operations. The Housing Authority is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

FINANCIAL ANALYSIS The Housing Authority's net assets (in thousands) was \$6,426 at June 30, 2010. Of this amount, \$1,198 was unrestricted. As we noted earlier, the Housing Authority uses funds to help it control and manage money for particular purposes. The general fund is used to account for the public housing and capital fund programs. Section 8 vouchers are accounted for in the section 8 fund. Our analysis below focuses on the net assets and the change in net assets of the Housing Authority as a whole.

Housing Authority of the City of Minden
Management's Discussion and Analysis (MD&A)
June 30, 2010

Table 1
Net Assets
(in thousands)
June 30, 2010

	<u>2010</u>	<u>2009</u>	Variance Favorable (Unfavorable)
Current assets	\$1,322	\$1,249	\$ 73
Restricted current assets	162	129	33
Capital assets, net	<u>5,101</u>	<u>4,679</u>	<u>422</u>
Total assets	6,585	6,057	528
Current liabilities	101	50	(51)
Current liabilities payable from current restricted assets	22	22	-
Long-term liabilities	<u>36</u>	<u>37</u>	<u>1</u>
Total liabilities	159	109	(50)
Net assets			
Invested in capital assets, net of			
Related debt	5,102	4,679	423
Restricted	126	106	20
Unrestricted	<u>1,198</u>	<u>1,163</u>	<u>35</u>
Total net assets	\$ <u>6,426</u>	\$ <u>5,948</u>	\$ <u>478</u>

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2010, the Housing Authority had \$5,101 invested in a broad range of capital assets, including land, buildings, and furniture and equipment. This amount represents a net increase (including additions, deductions and depreciation) of \$422 or 9% from last year. See Note 4 to the financial statements for more detail on capital assets.

Housing Authority of the City of Minden
Management's Discussion and Analysis (MD&A)
June 30, 2010

Table 2
Net Assets (in thousands)
June 30, 2009

	2010	2009	Variance Favorable (Unfavorable)
Revenues/capital contributions:			
Operating revenues			
Dwelling rental	\$ 389	\$ 384	\$ 5
Other	73	75	(2)
Federal grants	1,250	1,122	128
Non Operating Revenues			
Interest earnings	7	12	(5)
Gain on dispositions of equipment	2	0	2
Federal capital grants	717	316	401
Total Revenues/capital contributions	\$ 2,438	\$ 1,909	\$ 529
Expenses:			
Operating Expenses			
Administration	481	393	88
Tenant services	6	4	2
Utilities	66	65	1
Ordinary maintenance & operations	366	348	18
General expenses	235	225	10
Housing assistance payments	409	413	(4)
Extraordinary maintenance	87	87	0
Depreciation	310	360	(50)
Total Expenses	1,960	1,895	65
Increase (decrease) in net assets	478	\$ 14	\$ 464

Total revenues increased by \$529:

- \$128 increase in federal operating grants.
- \$401 increase in federal capital grants.

Total expenses increased \$65:

- Administrative expenses increased by \$88.
- Depreciation decreased by \$65.

**Housing Authority of the City of Minden
Management's Discussion and Analysis (MD&A)
June 30, 2010**

**Capital Assets
Net of Accumulated Depreciation
(in thousands)
June 30, 2010**

	<u>2010</u>	<u>2009</u>	Variance Favorable (Unfavorable)
Land	\$ 156	\$ 156	\$ -
Construction in progress	974	655	319
Buildings	3,825	3,690	135
Furniture and equipment	<u>146</u>	<u>178</u>	<u>(32)</u>
Totals	<u>\$ 5,101</u>	<u>\$ 4,679</u>	<u>\$ 422</u>

No debt was issued for these additions.

Debt

Our long-term debt includes accrued annual and sick leave of \$54,370. We present more detail about our long-term liabilities in the Note 7 to the financial statements.

ECONOMIC FACTORS The Housing Authority is primarily dependent upon HUD for the funding of operations, therefore, the Housing Authority is affected more by the Federal budget than by local economic conditions.

CONTACTING THE HOUSING AUTHORITY'S FINANCIAL MANAGEMENT

Our financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the Housing Authority's finances and to show the Housing Authority's accountability for the money it receives. If you have questions about this report or wish to request additional financial information, contact Reese Hood, Executive Director, at the Housing Authority of the City of Minden, 1209 East Street, Minden, Louisiana 71055, telephone number (318)377-1077.

**HOUSING AUTHORITY OF MINDEN
BALANCE SHEET
JUNE 30, 2010**

	General	Housing Choice Vouchers	Management Fees	Total
ASSETS				
Current assets				
Cash and cash equivalents	\$ 347,458	\$ 121,909	\$ 108,745	\$ 578,112
Investments	244,800	41,875	0	286,675
Accounts receivable net	327,271	0	0	327,271
Interest receivable	0	13	0	13
Prepaid items and other assets	114,175	0	0	114,175
Inventory	15,245	0	0	15,245
Restricted assets – cash and cash equivalents	36,299	126,078	0	162,377
Total Current Assets	1,085,248	289,875	108,745	1,483,868
Capital Assets, net				
Land and other non-depreciated assets	155,540	0	0	155,540
Other capital assets - net of depreciation	4,939,204	6,605	0	4,945,809
Total Capital Assets, net	5,094,744	6,605	0	5,101,349
Total Assets	\$ 6,179,992	\$ 296,480	\$ 108,745	\$ 6,585,217
LIABILITIES				
Current Liabilities				
Accounts payable	\$ 23,745	\$ 1,488	\$ 0	\$ 25,233
Accrued expenses	13,996	0	0	13,996
Deferred revenue	37,388	0	0	37,388
Compensated absences payable	15,479	2,718	0	18,197
Accrued PILOT	6,793	0	0	6,793
Deposits due others	21,775	0	0	21,775
Total Current Liabilities	119,176	4,206	0	123,382
Noncurrent Liabilities				
Compensated absences payable	36,173	0	0	36,173
Total Liabilities	155,349	4,206	0	159,555
NET ASSETS				
Invested in capital assets, net of related debt	5,094,744	6,605	0	5,101,349
Restricted	0	126,078	0	126,078
Unrestricted	929,899	159,591	108,745	1,198,235
Net Assets	6,024,643	292,274	108,745	6,425,662
Total Liabilities and Net Assets	\$ 6,179,992	\$ 296,480	\$ 108,745	\$ 6,585,217

The Notes to the Financial Statements are an integral part of these statements.

**HOUSING AUTHORITY OF MINDEN
STATEMENT OF REVENUES,
EXPENSES AND CHANGES IN FUND NET ASSETS
YEAR ENDED JUNE 30, 2010**

	General	Housing Choice Voucher	Management Fees	Total
OPERATING REVENUES				
Dwelling rental	\$ 388,600	\$ 0	0	\$ 388,600
Governmental operating grants	751,280	498,504	0	1,249,784
Other	38,336	2,798	32,007	73,141
Total Operating Revenues	<u>1,178,216</u>	<u>501,302</u>	<u>32,007</u>	<u>1,711,525</u>
OPERATING EXPENSES				
Administration	352,829	93,165	35,535	481,529
Tenant services	5,800	0	0	5,800
Utilities	66,158	0	0	66,158
Ordinary maintenance & operations	366,833	0	0	366,833
Protective services	11,562	0	0	11,562
General expenses	212,499	9,178	1,600	223,277
Depreciation	304,225	5,641	0	309,866
Extraordinary maintenance	87,225	0	0	87,225
Housing assistance payments	0	408,503	0	408,503
Total Operating Expenses	<u>1,407,131</u>	<u>516,487</u>	<u>37,135</u>	<u>1,960,753</u>
Income (loss) from Operations	<u>(228,915)</u>	<u>(15,185)</u>	<u>(5,128)</u>	<u>(249,228)</u>
Non Operating Revenues (Expenses)				
Interest earnings	5,926	912	58	6,896
Gain on disposal of assets	2,166	0	0	2,166
Total Non-Operating Revenues (Expenses)	<u>8,092</u>	<u>912</u>	<u>58</u>	<u>9,062</u>
Income (loss) before contribution	<u>(220,823)</u>	<u>(14,273)</u>	<u>(5,070)</u>	<u>(240,166)</u>
Capital Contribution	<u>717,809</u>	<u>0</u>	<u>0</u>	<u>717,809</u>
Change in net assets	<u>496,986</u>	<u>(14,273)</u>	<u>(5,070)</u>	<u>477,643</u>
Total net assets - beginning adjusted	<u>5,527,657</u>	<u>306,547</u>	<u>113,815</u>	<u>5,948,019</u>
Total Net assets ending	<u><u>\$ 6,024,643</u></u>	<u><u>292,274</u></u>	<u><u>108,745</u></u>	<u><u>6,425,662</u></u>

The Notes to the Financial Statements are an integral part of these statements.

HOUSING AUTHORITY OF MINDEN
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2010

	General	Housing Choice Voucher	Management Fees	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Rental receipts	\$ 376,121	\$ 0	\$ 0	\$ 376,121
Other receipts	61,504	(17,036)	28,373	72,841
Federal grants	783,958	498,504	0	1,282,462
Payments to vendors	(504,833)	(39,681)	(27,314)	(571,828)
Payments to employees – net	(583,858)	(61,602)	(9,821)	(655,281)
Payments to private landlords	0	(408,503)	0	(408,503)
Net cash provided (used) by operating activities	132,892	(28,318)	(8,762)	95,812
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Proceeds from sale of capital assets	5,599	0	0	5,599
Purchase of capital assets	(733,318)	0	0	(733,318)
Federal Capital Grants	717,809	0	0	717,809
Net cash provided (used) by capital and related financing activities	(9,910)	0	0	(9,910)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest income	5,925	913	58	6,896
Purchase of investments	(5,363)	(478)	0	(5,841)
Net cash provided (used) by investing activities	562	435	58	1,055
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	123,544	(27,883)	(8,704)	86,957
CASH AND CASH EQUIVALENTS Beginning of Fiscal Year	260,213	275,870	117,449	653,532
CASH AND CASH EQUIVALENTS End of Fiscal Year	\$ 383,757	247,987	\$ 108,745	740,489

Continued

HOUSING AUTHORITY OF MINDEN
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2010

	General	Housing Choice Voucher	Management Fees	Total
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating income (loss)	\$ (228,915)	\$ (15,185)	\$ (5,128)	\$ (249,228)
Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation Expense	304,225	5,641	0	309,866
Provision of uncollectible accounts	10,826	0	0	10,826
Change in assets and liabilities:				
Receivables	19,871	0	0	19,871
Inventories	1,241	0	0	1,241
Prepaid items	(9,556)	0	0	(9,556)
Account payables	(1,964)	1,060	0	(904)
Accrued expenses	13,996	0	0	13,996
Due to other funds	23,468	(19,834)	(3,634)	0
Deposits due others	(300)	0	0	(300)
Net cash provided (used) by operations	<u>\$ 132,892</u>	<u>\$ (28,318)</u>	<u>\$ (8,762)</u>	<u>\$ 95,812</u>

Concluded

The Notes to the Financial Statements are an integral part of these statements.

HOUSING AUTHORITY OF MINDEN
NOTES TO THE BASIC FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2010

INDEX

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES	13
A. REPORTING ENTITY	13
B. FUNDS	14
C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING	14
D. CASH AND CASH EQUIVALENTS	15
E. INVESTMENTS	15
F. REVENUE RECOGNITION	15
G. INVENTORY	15
H. PREPAID ITEMS	15
I. CAPITAL ASSETS	16
J. DEFERRED REVENUES	16
K. COMPENSATED ABSENCES	16
L. POST EMPLOYMENT BENEFITS	16
M. RESTRICTED NET ASSETS	16
N. USE OF ESTIMATES	16
NOTE 2 – DEPOSITS AND INVESTMENTS	17
NOTE 3 – ACCOUNTS RECEIVABLE	17
NOTE 4 – CAPITAL ASSETS	18
NOTE 5 – ACCOUNTS PAYABLE	18
NOTE 6 – COMPENSATED ABSENCES	19
NOTE 7 – LONG – TERM OBLIGATIONS	19
NOTE 8 – RETIREMENT SYSTEM	19
NOTE 9 – COMMITMENTS AND CONTINGENCIES	20
NOTE 10 – ECONOMIC DEPENDENCE	20

HOUSING AUTHORITY OF MINDEN
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES The accompanying financial statements of the Housing Authority of the City of Minden have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

A. REPORTING ENTITY Housing Authorities are chartered as public corporations under the laws (LSA – R.S. 40.391) of the state of Louisiana for the purpose of providing safe and sanitary dwellings accommodations. This creation was contingent upon the local governing body of the city or parish declaring a need for the Housing Authority to function in such city or parish. The Housing Authority is governed by a five member Board of Commissioners. The members, appointed by the Honorable Mayor of the City of Minden, serve staggered multi-year terms.

The Housing Authority has the following units:	# of Units
PHA Owned Housing	247
Section 8	
Housing Choice Vouchers	137

GASB Statement 14 establishes criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the Housing Authority is considered a primary government, since it is a special purpose government that has a separate governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement 14, fiscally independent means that the Housing Authority may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt with HUD approval.

The Housing Authority is a related organization of the City of Minden since the City of Minden appoints a voting majority of the Housing Authority's governing board. The City of Minden is not financially accountable for the Housing Authority as it cannot impose its will on the Housing Authority and there is no potential for the Housing Authority to provide financial benefit to, or impose financial burdens on, the City of Minden. Accordingly, the Housing Authority is not a component unit of the financial reporting entity of the City of Minden.

Governmental Accounting Standards Board (GASB) Codification Section 2100 establishes criteria for determining which, if any, component units should be considered part of the Housing Authority for financial reporting purposes. The basic criteria for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability, which includes:

HOUSING AUTHORITY OF MINDEN
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2010

- 2) Organizations for which the government does not appoint a voting majority but are fiscally dependent on the government.
- 3) Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Based on the previous criteria, the Housing Authority has determined that the following component unit should be considered as part of the Housing Authority reporting entity.

Minden Housing Authority Development Company, LLC is a legally separate entity. The Board is the same as the Board of Commissioners of the Housing Authority. Based on the above, it has been determined that the Corporation is a component unit of the Housing Authority and should be included in the Housing Authority's financial statements through blended presentation. The Corporation does not issue separate financial statements. For fiscal year ended June 30, 2010, there was no current year activity.

B. FUNDS The accounts of the Housing Authority are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements.

The transactions of the Housing Authority are reported in a proprietary enterprise fund. The general fund accounts for the transactions of the public housing Low Rent program and the Capital Fund program. The housing choice voucher fund accounts for the Section 8 Housing Choice Voucher program. The management fee fund accounts for management fees collected.

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

PROPRIETARY FUNDS Proprietary funds are accounted for on the flow of economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. The Housing Authority has elected, pursuant to GASB Statement No. 20, to apply all GASB pronouncements and only FASB pronouncements issued before November 30, 1989.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary funds' principal ongoing operations. According to the Authority's policy, governmental operating grants are considered operating revenues. The other principal operating revenues of the Housing Authority are rent and maintenance charges to residents and operating fees earned. Operating expenses for proprietary funds include the administrative costs of providing the service and the housing assistance payments to landlords. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

HOUSING AUTHORITY OF MINDEN
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2010

D. CASH AND CASH EQUIVALENTS Cash includes amounts in demand deposits and interest-bearing demand deposits. Cash equivalents include amounts in time deposits, of less than ninety days, and cash with fiscal agent. Under state law, the Housing Authority may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

E. INVESTMENTS Investments are limited to L.S.-R.S. 33:2955 and the Housing Authority's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

The investments are reflected at quoted market prices except for the following which are required/permitted as per GASB Statement No. 31:

Investments in nonparticipating interest-earning contracts, such as nonnegotiable certificates of deposit with redemption terms that do not consider market rates, are reported using a cost-based measure.

The Housing Authority reported at amortized cost money market investments participating interest-earning investment contracts that have a remaining maturity at time of purchase of one year or less.

Definitions:

Interest-earning investment contract include time deposits with financial institutions (such as certificates of deposit), repurchase agreements, and guaranteed investment contracts.

Money market investments are short-term, highly liquid debt instruments that include U.S. Treasury obligations.

F. REVENUE RECOGNITION Revenues and other governmental fund financial resource increments are recognized in the accounting period in which they become susceptible to accrual – that is, when they become *measurable* and *available* to the finance expenditures of the fiscal period. "Available" is determined as collectible within the 12 months of the fiscal year or soon enough thereafter to be used in pay liabilities of the current period.

G. INVENTORY All purchased inventory items are valued at cost using the first-in, first-out method. Inventory is recorded using the purchase method. At year end, the amount of inventory is recorded for external financial reporting.

H. PREPAID ITEMS Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

HOUSING AUTHORITY OF MINDEN
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2010

I. CAPITAL ASSETS Capital assets are recorded at historical cost and depreciated over their estimated useful lives (excluding salvage value). The capitalization threshold is \$300. Donated capital assets are recorded at their estimated fair value at the date of donation. Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Straight line depreciation is used based on the following estimated useful lives:

Site improvements	15 years
Buildings	40 years
Building improvements	15 years
Furniture and equipment	5 years
Computers	3 years

J. DEFERRED REVENUES The Housing Authority reports deferred revenues on its balance sheet. Deferred revenues arise when resources are received by the Housing Authority before it has a legal claim to them, as when grant monies are received prior to the occurrence of qualifying expenditures. In subsequent periods, when the Housing Authority has a legal claim to the resources, the liability for deferred revenue is removed from the balance sheet and the revenue is recognized.

K. COMPENSATED ABSENCES The Housing Authority follows Louisiana Civil Service regulations for accumulated annual and sick leave. Employees may accumulate up to three hundred hours of annual leave which may be received upon termination or retirement. Sick leave hours accumulate, but the employee is not paid for them if not used by his/her retirement or termination date.

L. POST EMPLOYMENT BENEFITS The Authority does not recognize or pay any post employment benefits. Accordingly, Governmental Accounting Standards Board (GASB) Statement Number 45 does not apply.

M. RESTRICTED NET ASSETS Net assets are reported as restricted when constraints placed on net asset use are either:

Externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

Restricted resources are used first when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

N. USE OF ESTIMATES The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenses and other financing sources and uses during the reporting period. Actual results could differ from those estimates.

HOUSING AUTHORITY OF MINDEN
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 2 – DEPOSITS AND INVESTMENTS The Housing Authority has reported their investments with a maturity at time of purchase of one year or less at amortized cost. Investments with maturity at time of purchase of greater than one year are presented at fair value at June 30, 2010. Deposits are stated at cost, which approximates fair value.

Interest Rate Risk: The Housing Authority's policy does not address interest rate risk.

Credit Rate Risk: GASB 40 disclosure of credit rate risk does not apply, since the Authority's only investments are certificates of deposit.

Custodial Credit Risk: The Authority's policy requires the financial institution to cover the first \$250,000 of deposits with FDIC coverage. Any excess deposits must be collateralized with securities held by the pledging financial institution, with a fair market value that equals or exceeds the amount of excess deposits.

Restricted Cash: \$22,303 is restricted in the General Fund for security deposits. \$13,996 is restricted in the Resident Services account. \$126,078 is restricted in the Housing Choice Voucher fund for HAP Equity.

At June 30, 2010, the Housing Authority's carrying amount of deposits was \$1,027,164 and the bank balance was \$1,046,377, which includes \$286,675 in certificates of deposits classified as investments. Of the bank balance, the entire amount is covered by FDIC insurance.

NOTE 3 – ACCOUNTS RECEIVABLE The receivables at June 30, 2010, are as follows:

	General	Housing Choice Voucher	Capital Fund Program	Total
<u>Class of Receivables</u>				
Local sources:				
Tenants	\$ 3,887	\$ 0	\$ 0	\$ 3,887
Federal sources:				
Grants	323,384	0	0	323,384
Total	\$ 327,271	\$ 0	\$ 0	\$ 327,271

The tenants account receivable is net of an allowance for doubtful accounts of \$21,195.

HOUSING AUTHORITY OF MINDEN
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 4 – CAPITAL ASSETS The changes in capital assets are as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Non-depreciable assets				
Land and buildings	\$ 155,540	\$ 0	\$ 0	\$ 155,540
Construction in progress	655,008	319,163	0	974,171
Depreciable assets:				
Exhaustible capital assets				
Buildings	12,280,445	398,647	0	12,679,092
Furniture and equipment	809,013	17,755	80,211	746,557
Total capital assets	13,900,006	735,565	80,211	14,555,360
Less: accumulated depreciation				
Buildings	8,590,150	263,586	0	8,853,736
Furniture and equipment	630,742	46,282	76,749	600,275
Total accumulated depreciation	9,220,892	309,868	76,749	9,454,011
Total capital assets, net	\$ 4,679,114	\$ 425,697	\$ 3,462	\$ 5,101,349

NOTE 5 – ACCOUNTS PAYABLE The payables at June 30, 2010 are as follows:

	General	Housing Choice Voucher Fund	Total
Vendors	\$ 18,693	\$ 1,000	\$ 19,693
Payroll taxes & Retirement withheld	5,052	488	5,540
Total	\$ 23,745	\$ 1,488	\$ 25,233

HOUSING AUTHORITY OF MINDEN
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 6 – COMPENSATED ABSENCES At June 30, 2010, employees of the Housing Authority have accumulated and vested \$54,370 of employee leave computed in accordance with GASB, Codification Section C60.

NOTE 7 – LONG – TERM OBLIGATIONS The following is a summary of the long – term obligation transactions for the year ended June 30, 2010.

	Compensated Absences
Balance, beginning	\$ 53,672
Additions	31,176
Deductions	30,478
Balance, ending	54,370
Amounts due in one year	\$ 18,197

NOTE 8 – RETIREMENT SYSTEM The Housing Authority participates in the Housing Renewal and Local Agency Retirement Plan, which is a defined contribution plan. The plan consists of employees of various local and regional housing authorities, urban renewal agencies, and other similar organizations. Through this plan, the Housing Authority provides pension benefits for all of its full-time employees. All full-time employees are eligible to participate in the plan on the first day of the month after completing six months of continuous and uninterrupted employment..

Under a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Each participant in the plan is required to make a monthly contribution equal to 5% of his effective compensation, and may make additional contributions. The employer is required to make monthly contributions equal to 5% of each participant's effective compensation.

The Housing Authority's contribution for each employee and income allocated to the employee's account is fully vested after five years of continuous service. The Housing Authority's contributions and interest forfeited by employees who leave employment before five years of service are used to offset future contributions of the Housing Authority.

The Housing Authority has the right to establish or amend retirement plan provisions. The Housing Authority's Joinder Agreement with the Housing Renewal and Local Agency Retirement Plan may be amended or modified by Board Resolution. Amendment of the Joinder Agreement is limited to provisions affecting plan specifications.

The Housing Authority made the required contributions of \$43,808.56 for the year ended June 30, 2010, of which \$21,904.29 was paid by the Housing Authority and \$21,904.27 was paid by employees. No payments were made out of the forfeiture account.

HOUSING AUTHORITY OF MINDEN
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 9 – COMMITMENTS AND CONTINGENCIES

Commitments On October 4, 2009, the Authority entered into an Employment Agreement with the Executive Director. The agreement began on January 1, 2010 and ends December 31, 2012. The agreement will be extended for an additional term, unless one party notifies the other party, and follows due process.

The Authority may terminate the agreement for cause, as long as due process is followed. In that event, no salary is due the Director, after the date of termination, although vacation earned and accrued through that date is paid, plus health and related benefits.

If the Authority terminates without cause, the Director is entitled to 120 days written advance notice of the termination, or severance equal to 120 days of salary, plus vacation, health and related benefits.

Litigation The Housing Authority is not presently involved in litigation.

Grant Disallowances The Housing Authority participates in a number of federally assisted grant programs. The programs are subject to compliance audits under the single audit approach. Such audits could lead to requests for reimbursement by the grantor agency for expenditures disallowed under terms of the grants. Housing Authority management believes that the amount of disallowance, if any, which may arise from future audits will not be material.

Construction Projects There are certain renovation or construction projects in progress at June 30, 2010. These include modernizing rental units. These projects are being funded by HUD. Funds are requested periodically as the cost is incurred.

Risk Management The Housing Authority is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Housing Authority carries commercial insurance.

The Housing Authority transfers risk of loss by participating in a public entity risk pool and contracting with a commercial insurance carrier for all major categories of exposed risk.

This includes coverage of property, general liability, public liability, and worker's compensation. The risk pool and insurance contracted are obligated to meet settlements up to the maximum coverage, after the PHA's premiums and deductions are met.

Louisiana State law prohibits one governmental entity assessing another entity. If the Louisiana Housing Council Group Self Insured Fund (LHC) risk pool is unable to meet its obligations, the risk to the Housing Authority is only that it s own claim would be unpaid.

Coverage has not significantly changed from the previous year and settlements for each of the past three years have not exceeded insurance coverage.

NOTE 10 – ECONOMIC DEPENDENCE The Department of Housing and Urban Development provided \$1,967,593 to the Housing Authority, which represents approximately 81% of the Housing Authority's total revenue and capital contributions for the year.

MIKE ESTES, P.C.
A PROFESSIONAL ACCOUNTING CORPORATION
4200 AIRPORT FREEWAY - SUITE 100
FORT WORTH, LOUISIANA 76117

MIKE ESTES, CPA

(817) 831-3553
(817) 831-3560
e-mail: mestespc@swbell.net
website: mikeestespc.com

MEMBER OF THE
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC
ACCOUNTANTS
and the
AICPA GOVERNMENTAL
AUDIT QUALITY CENTER

Report on Internal Control Over Financial Reporting and on Compliance and
Other Matters Based on an Audit of Financial Statements Performed in
Accordance with *Government Auditing Standards*

Housing Authority of Minden
Minden, Louisiana

We have audited the basic financial statements of the Housing Authority of the City of Minden, Louisiana, as of and for the year ended June 30, 2010, and have issued our report thereon dated December 17, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Housing Authority of the City of Minden, Louisiana's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Housing Authority of the City of Minden, Louisiana's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Housing Authority of the City of Minden, Louisiana's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Housing Authority of the City of Minden, Louisiana's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, the Board of Commissioners, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Mike Estes, P.C.
Fort Worth, Texas
December 17, 2010

MIKE ESTES, P.C.
A PROFESSIONAL ACCOUNTING CORPORATION
4200 AIRPORT FREEWAY – SUITE 100
FORT WORTH, LOUISIANA 76117

MIKE ESTES, CPA

(817) 831-3553
(817) 831-3560
e-mail: mestespc@swbell.net
website: mikeestespc.com

MEMBER OF THE
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC
ACCOUNTANTS
and the
AICPA GOVERNMENTAL
AUDIT QUALITY CENTER

Report on Compliance with Requirements That Could Have a Direct
and Material Effect on Each Major Program and on Internal Control
Over Compliance in Accordance With OMB Circular A-133

Independent Auditor's Report

Housing Authority of Minden
Minden, Louisiana

Compliance

We have audited the Housing Authority of the City of Minden, Louisiana compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Housing Authority of the City of Minden, Louisiana's major federal programs for the year ended June 30, 2010. The Housing Authority of the City of Minden, Louisiana's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Housing Authority of the City of Minden, Louisiana's management. Our responsibility is to express an opinion on the Housing Authority of the City of Minden, Louisiana's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Housing Authority of the City of Minden, Louisiana's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Housing Authority of the City of Minden, Louisiana's compliance with those requirements.

In our opinion, the Housing Authority of the City of Minden, Louisiana complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010.

Internal Control Over Compliance

Management of the Housing Authority of the City of Minden, Louisiana is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Housing Authority of the City of Minden, Louisiana's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Housing Authority of the City of Minden, Louisiana's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, the Board of Commissioners, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Mike Estes, P.C.
Fort Worth, Texas
December 17, 2010

HOUSING AUTHORITY OF MINDEN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2010

FEDERAL GRANTOR PROGRAM TITLE	CDFA NO.	PROGRAM EXPENDITURES
U. S. Department of Housing and Urban Development Direct Programs:		
Low-Income Housing Operating Subsidy	14.850a	\$ 751,280
Housing Choice Voucher	14.871	498,504
Public Housing Capital Fund	14.872	319,844
American Recovery and Reinvestment Act	14.885	397,965
Total United States Department of Housing and Urban Development		\$ 1,967,593
Total Expenditures of Federal Awards		\$ 1,967,593

HOUSING AUTHORITY OF MINDEN
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2010

NOTE 1 – GENERAL The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs of the Housing Authority of the City of Minden, Louisiana (the "Housing Authority"). The Housing Authority reporting entity is defined in note 1(A) to the Housing Authority's basic financial statements. Federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, are included on the schedule.

NOTE 2 – BASIS OF ACCOUNTING The accompanying Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting, which is described in note 1(C) to the Housing Authority's basic financial statements.

NOTE 3 - RELATIONSHIP TO BASIC FINANCIAL STATEMENTS Federal awards revenues are reported in the Housing Authority's basic financial statements as follows:

	<u>Federal Sources</u>
General	\$ 1,469,089
Section 8 Housing Choice Vouchers	<u>498,504</u>
Total	\$ <u>1,967,593</u>

NOTE 4 – RELATIONSHIP TO FEDERAL FINANCIAL REPORTS Amounts reported in the accompanying schedule agree with the amounts reported in the related federal financial reports except for changes made to reflect amounts in accordance with generally accepted accounting principles.

HOUSING AUTHORITY OF MINDEN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2010

Section I – Summary of the Auditor’s Results

Financial Statement Audit

- i. The type of audit report issued was unqualified.
- ii. There were no significant deficiencies required to be disclosed by *Government Auditing Standards* issued by the Comptroller General of the United States.
- iii. There were no instances of noncompliance considered material, as defined by the *Government Auditing Standards* to the financial statements.

Audit of Federal Awards

- iv. There were no significant deficiencies required to be disclosed by OMB Circular No. A-133.
- v. The type of report the auditor issued on compliance for major programs was unqualified.
- vi. The audit disclosed no audit findings which the auditor is required to report under OMB Circular No. A-133, Section .510(a).
- vii. The major federal programs are:

CFDA# 14.871	Section 8 Housing Choice Voucher
CFDA# 14.872	Capital Fund
CFDA# 14.884	American Recovery and Reinvestment Act
- viii. The dollar threshold used to distinguish between Type A and Type B programs as described in OMB Circular No. A-133, Section .520(b) was 300,000.
- ix. The auditee does not qualify as a low-risk auditee under OMB Circular No. A-133, Section .530.

HOUSING AUTHORITY OF MINDEN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2010

Section II – Findings related to the financial statements which are required to be reported in accordance with Governmental Auditing Standards generally accepted in the United States of America:

None

HOUSING AUTHORITY OF MINDEN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2010

Section III - Findings and questioned costs for federal awards which are required to be reported under OMB Circular No. A-133 Section .510 (a):

None

HOUSING AUTHORITY OF MINDEN
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

YEAR ENDED JUNE 30, 2010

The following prior audit findings were required to be reported under OMB Circular No. A-133, Section 510(a) (for the major program) for the prior year:

All Programs

09-01 – Unaudited Financial Statements Materially Misstated

Condition

Accounts receivable – HUD for operating subsidy was understated by \$294,046. Income understated by \$99,041.

Recommendation

We reviewed the use of HUD's award letters with the Authority. They are now using them.

Current Status

This finding is not repeated.

SUPPLEMENTARY INFORMATION

HOUSING AUTHORITY OF MINDEN
STATEMENT OF MODERNIZATION COSTS - UNCOMPLETED

YEAR ENDED JUNE 30, 2010

CASH BASIS

			2009
	2008	2009	Capital Fund
	Capital Fund	Capital Fund	Recovery Grant
Funds approved	\$ 363,390	\$ 361,492	\$ 459,980
Funds expended	318,537	206,385	423,838
Excess of funds approved	<u>\$ 44,853</u>	<u>\$ 155,107</u>	<u>\$ 36,142</u>
Funds advanced	\$ 318,537	\$ 170,243	\$ 459,979
Funds expended	318,537	206,385	423,838
Excess of funds advanced	<u>\$ 0</u>	<u>\$ (36,142)</u>	<u>\$ 36,141</u>